

FISCAL NOTE

HB 2909 - SB 2956

February 12, 2002

SUMMARY OF BILL:

- Imposes additional requirements on staff leasing company applicants and licensees that do not exist under current law.
- Requires applicants for licensing as a staff leasing company to obtain a corporate surety bond, which will be the greater of \$100,000 or 5% of the applicant's outstanding liabilities, whichever is greater. Any person having a right of action against a staff leasing company arising from non-compliance may bring suit against the principal and sureties of the bond.
- Requires, beginning January 1, 2003, all leasing companies to keep separate records and submit separate quarterly premium and wage reports to the Department of Labor and Workforce Development.
- Establishes a formula for workers' compensation premiums determined and paid based on the experience rating of the client company for which the leased employee performs services, if the client company has sufficient workers' compensation premium volume to be experience rated, otherwise the premiums shall be the rate approved for an employer that cannot be experience rated.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Other Fiscal Impact - Increase Revenues - Exceeds \$100,000/Unemployment Insurance Trust Fund

Estimate assumes:

- An increase in expenditures to enforce the provisions contained in the bill.
- A potential increase in revenues to the Unemployment Insurance Trust Fund from additional premiums paid into the Unemployment Trust Fund as the result of requiring payment based on the leasing company client's individual Unemployment Insurance tax rate.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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